

M/045/017

MEMORANDUM

TO: Dave Lauriski

FROM : Dan Moquin

SUBJECT: Mercur Mine

DATE: February 4, 1998

This memorandum is submitted to you as an explanation of the changes that were made to the Self Bonding and Indemnity Agreement for the Mercur Mine. On December 10, 1997, Barrick Mercur Gold Mine, Inc. appeared before the Board of Oil, Gas and Mining seeking approval for a self-bond agreement. At the Board hearing Ms. Elise Erler correctly observed that while the reclamation contract was signed by Barrick Resources (USA) Inc., the Division conducted a financial review of Barrick Gold Corporation. (EXHIBIT A).

The Division believed that the signature page provided by Barrick Gold Corporation bound both parties. However, the Board's attorney believed that the contract should be revised to remove any possible ambiguity of the intention of Barrick Gold Corporation to be bound by the reclamation contract. The Board voted unanimously to approve the self-bonding request subject to the clarifying of the legal issue.

The Division has chosen to clarify the legal issue by making changes to the reclamation contract and surety agreement that clearly holds both entities jointly and severably liable for reclamation of the site.

The first change occurs on page one of the Self Bonding and Indemnity Agreement . On that page both Barrick Gold Corporation and Barrick Resources (USA) Inc. are named as the operator of the mine.

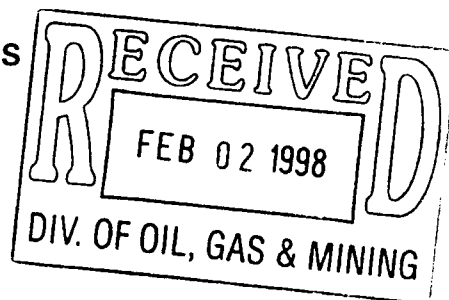
The second change occurs on page one of the reclamation contract. Again both Barrick Resources (USA) Inc. And Barrick Gold Corporation are named as the operator of the Mercur Mine. Moreover, paragraph five of the reclamation contract states, "[t]he Division shall hold Barrick Resources (USA) Inc. and Barrick Gold Corporation jointly and severably liable for reclamation of the disturbed area." Finally, the Division made the minor change of combining the signature pages of both entities on page five of the reclamation contract.

The Division believes that the changes eliminate any possible ambiguity of whether Barrick Gold Corporation has accepted reclamation responsibility. Thus, the condition for approval has been satisfied. The Division believes that the Chairman may sign the Self Bonding and Indemnity Agreement and the Reclamation Contract with the assurance that the conditions imposed by the Board have been satisfied.

File Number M/045/017

Effective Date _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940



RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/045/017
(Mineral Mined) Gold

"MINE LOCATION":
(Name of Mine) Mercur
(Description) Mercur Canyon Road
Mercur Canyon
Tooele County, Utah

"DISTURBED AREA":
(Disturbed Acres) 1762.7
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Barrick Resources (USA) Inc.
(Address and Phone) P.O. Box 838
Tooele, Utah 84074
(801) 268-4447

and

Barrick Gold Corporation
Royal Bank Plaza South Tower Ste 2700
200 Bay Street
P.O. Box 119
Toronto, Ontario, Canada M5J 2J3
(416) 861-9911

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

Clayton L. Landa

Vice President & General Manager

P.O. Box 838

Tooele, Utah 84074

(801) 268-4447

"OPERATOR'S OFFICER(S)":

Dennis Richardson

Comptroller

"SURETY":

(Form of Surety - Attachment B)

Self

"SURETY COMPANY":

(Name, Policy or Acct. No.)

N/A

"SURETY AMOUNT":

(Escalated Dollars)

\$8,509,500

"ESCALATION YEAR":

2002

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Barrick Resources (USA) Inc. and Barrick Gold Corporation the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/045/017 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated June 30, 1996, and the original Reclamation Plan dated June 30, 1996. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. The Division shall hold Barrick Resources (USA) Inc. and Barrick Gold Corporation jointly and severably liable for reclamation of the disturbed area.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area,

Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Barrick Resources (USA) Inc.
Operator Name

Clayton Landa
By Vice President and
Authorized Officer (Typed or Printed)
General Manager

Clayton Landa
Authorized Officer's Signature

Date: January 29, 1998

Barrick Gold Corporation
Operator Name

Jamie Skolok
By Vice President and Treasurer
Authorized Officer (Typed or Printed)

J. Skolok
Authorized Officer's Signature

Date: January 26, 1998

SO AGREED this _____ day of _____, 19____

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY _____
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____
Lowell P. Braxton, Acting Director

_____ Date

STATE OF _____)
_____) ss:
COUNTY OF _____)

On the _____ day of _____, 19 _____, personally
appeared before me _____, who being
duly sworn did say that he/she, the said _____
is the Acting Director of the Division of Oil, Gas and Mining, Department of Natural
Resources, State of Utah, and he/she duly acknowledged to me that he/she
executed the foregoing document by authority of law on behalf of the State of
Utah.

Notary Public
Residing at: _____

My Commission Expires:

OPERATOR:

Barrick Resources (USA) Inc.

Operator Name

By Clayton Landa - d General Vice President January 29, 1998
Corporate Officer - Position Manager Date

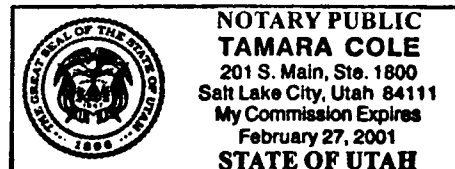
Clayton Landa
Signature

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 29th day of January, 1998, personally
appeared before me Clayton Landa who being by
me duly sworn did say that he/she, the said Clayton Landa
is the Vice Pres. and Gen. Mgr. of Barrick Resources (USA) Inc.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Clayton Landa duly acknowledged to me that said
company executed the same.

Tamara Cole
Notary Public
Residing at: Salt Lake Co.

Feb. 27, 2001
My Commission Expires:



OPERATOR:

Barrick Gold Corporation

Operator Name

By Jamie Sokalsky, Vice President
Treasurer
Corporate Officer - Position

January 26, 1998
Date

J. Sokalsky
Signature

PROVINCE OF Ontario

MUNICIPALITY OF Metropolitan Toronto

) ss: .

On the 26th day of January, 19 98, personally
appeared before me Jamie Sokalsky who being by
me duly sworn did say that he/she, the said Jamie Sokalsky
is the Vice Treasurer of Barrick Gold Corporation
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Jamie Sokalsky duly acknowledged to me that said
company executed the same.

[Signature]
Notary Public
Residing at: Toronto, Ontario

My Commission Does Not Expire:

ATTACHMENT "A"

Barrick Resources (USA) Inc. and Barrick Gold Corporation
Operator

Mercur Mine M/045/017
Mine Name Permit Number

Tooele and Utah Counties, Utah

The legal description of lands to be disturbed is:

Approximately 1762.7 acres will be affected in portions of:

Sections 4, 5, 6, 7, 8 and 9
Township 6 South, Range 3 West

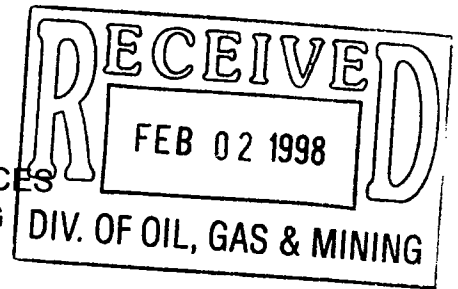
and

Sections 31, 32, and 33
Township 5 South, Range 3 West

Salt Lake Base Meridian, Tooele and Utah Counties

(January 1998)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



SELF BONDING AND INDEMNITY AGREEMENT

This Self Bonding and Indemnity Agreement ("Agreement") is entered into by and between Barrick Resources (USA) Inc. and Barrick Gold Corporation ("Operator") and the State of Utah, Department of Natural Resources, Board of Oil, Gas and Mining ("Board"). The Board and the Operator find that:

WHEREAS, pursuant to the Mined Land Reclamation Act, §40-8-1 et seq., Utah Code Annotated (1953, as amended) ("Act") and applicable rules, the Operator has obtained Permit No. M/045/017 from the Division of Oil, Gas and Mining ("Division") to operate the Mercur Mine, a gold mine, in Tooele and Utah Counties, Utah, which location is more specifically described in Exhibit A; and,

WHEREAS, the Board and the Operator agree that, upon permanent cessation of operations, complete reclamation of the Mercur Mine pursuant to Permit No. M/045/017, including revisions and amendments (collectively "Permit"), the Act, and applicable rules is essential to protect the land from future harm due to prolonged deterioration; and,

WHEREAS, the Operator has requested that the Board accept a written contractual agreement as the form of reclamation surety required by the Act; and,

WHEREAS, the Operator has designated Clayton L. Landa - Vice Pres & General Manager, P.O. Box 838, Tooele, Utah 84074

(Name, Title, Address)

as its agent for service of process in the State of Utah; and,

WHEREAS, the Operator has been in continuous operation as a business entity for the last five years; and,

WHEREAS, as is indicated on the attached financial sheet, the Operator meets the financial criteria for a written contractual agreement; and,

WHEREAS, the Operator has submitted to the Division and Board financial statements which are accompanied by an audit opinion prepared by 1996 annual report Coopers and Lybrand, Chartered Accountants which indicated compliance with the financial criteria.

NOW, THEREFORE, in return for permission to mine pursuant to the Act, the applicable rules and the Permit, in addition to other consideration, the sufficiency and receipt of which is hereby acknowledged, the Operator agrees to be held and bonds to the Board for the sum of \$ 8,509,500 for the timely performance of reclamation responsibilities for the Mercur Mine, Permit No. M/045/017 in United States currency. By the submission of this Agreement, the Operator will and truly binds itself, its successors and assigns, jointly and severally, by these presents.

The conditions of the above obligations are such that:

1. The Operator shall perform all duties and fulfill all requirements applicable to reclamation of the Mercur Mine as set forth in the Act, the applicable rules, and the terms of the Permit.

2. The liability under this Agreement is conditioned upon successful reclamation of the permit area as provided in the reclamation plan for the Permit for the period of time and in the manner specified in the Act, the applicable rules, and the terms of the Permit. The liability or responsibility of the Operator hereunder is \$ 8,509,500, provided that the Board may adjust the amount of liability hereunder as provided in Section 5 hereof.

3. Barrick Resources (USA) Inc. and Barrick Gold Corporation (operator) hereby agree to indemnify and hold the Board and Division harmless from any claim, demand, liability, costs, charge, or suit brought by a third party as a result of the Operator's failure to abide by the terms and conditions of the Reclamation Plan as set forth in the Permit and from any failure to comply with the terms of this Agreement.

4. Upon successful completion of part or all of the obligations secured hereby, the Operator may petition the Board for a final release of part or all of the obligations under this Agreement. Upon such petition, the Division shall conduct an inspection to ascertain whether duties and obligations of the Operator under the Act, the applicable rules, and the Permit have been fulfilled. If it is determined that such duties and obligations have been fulfilled, the Board shall release the Operator from part or all of

its obligations under this Agreement and shall file a notice of such release in the property records of Tooele and Utah Counties, Utah.

5. Periodically or at the request of the Operator, this Agreement shall be reviewed by the Division and the amount of liability adjusted if the Division determines that the cost of future reclamation has materially changed.

6. The Operator may terminate this Agreement by providing written notice to the Board no less than 120 days prior to the date of termination. The Operator must provide an alternate reclamation surety in the form and amount satisfactory to the Board prior to 30 days before the stated date of termination.

7. The Board may terminate this Agreement by providing written notice to the Operator no less than 120 days prior to the date of termination unless the Board determines that the Operator no longer meets the financial criteria for a written contractual agreement whereupon the Board may shorten the above-stated notice period for termination of this Agreement. The Operator must provide an alternate reclamation surety in the form and amount satisfactory to the Board prior to 30 days before the stated date of termination.

8. If the Operator fails, within the time periods set out in paragraphs six and seven of this Agreement, to provide an alternative reclamation surety satisfactory to the Board, the Division or Board may pursue any available remedies, including, but not limited to, the direction to cease all operations at the Mercur Mine and the direction to initiate and complete all reclamation operations at the Mercur Mine.

9. This Agreement will be governed and interpreted according to Utah law.

10. In addition to any other liability described above, the Operator shall pay reasonable attorney fees and costs incurred by the Board if the Board is successful in any action or suit regarding this agreement.

Barrick Resources (USA) Inc.
Operator/Company Name

Barrick Gold Corporation
Operator/Company Name

Clayton Landa ^{Vice Pres}
Corporate Officer Name and Title
^{Manager}

Janie Sokalsky ^{Vice-President}
Corporate Officer Name and Title
^{Treasurer}

Clayton Landa
Signature

Janie Sokalsky
Signature

January 29, 1998
Date

January 26, 1998
Date

SO AGREED this _____ day of _____, 19____.

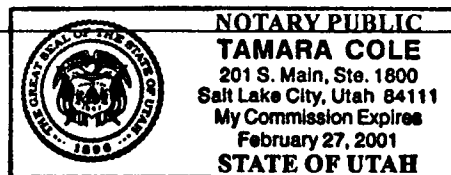
Dave D. Lauriski, Chairman
Board of Oil, Gas and Mining

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 29th day of January, 1998, personally
appeared before me Clayton Randa who being by
me duly sworn did say that he/she, the said Clayton Randa
is the Vice Pres. & Gen. Mng. of Benick Resources (USA) Inc.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Clayton Randa duly acknowledged to me that said
company executed the same.

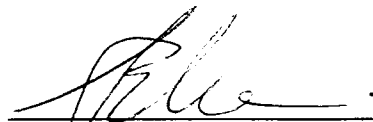
Tamara Cole
Notary Public
Residing at: Salt Lake Co.

My Commission Expires:
Feb. 27, 2001



PROVINCE OF Ontario)
MUNICIPALITY OF Metropolitan Toronto) ss:

On the 26th day of January, 19 98, personally
appeared before me Jamie Sokalsky who being by
me duly sworn did say that he/she, the said Jamie Sokalsky
Vice-President
is the and Treasurer of Barrick Gold Corporation
Resources USA Inc.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Jamie Sokalsky duly acknowledged to me that said
company executed the same.


Notary Public

Residing at: Toronto, Ontario

My Commission Does Not Expire

SB&IA